



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

FRED LEAF
Chief Operating Officer

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
(213) 240-8101

BOARD OF SUPERVISORS

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April 29, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**VARIOUS AMBULATORY CARE AGREEMENT ACTIONS
FOR FISCAL YEARS 2003-04 AND 2004-05
(All Districts) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and delegate authority to the Director of Health Services, or his designee, upon review and approval by County Counsel, to do the following:

1. Execute seventy-six (76) amendments with the Public-Private Partnership (PPP)/General Relief (GR) Health Care Program partners listed on Attachment B, to: 1) add language related to the County's non-emergency medical care services policy and patient eligibility; 2) change the Strategic Partner termination provision; and 3) extend the term of the Strategic Partner Disease Management Control funding, effective upon date of Board approval through June 30, 2005, with no change in net County cost;
2. Supersede four (4) existing PPP Traditional Partner Primary Care agreements with four (4) Strategic Partner agreements, with Westside Neighborhood Clinic (Agreement No. H207846), Wilmington Community Clinic (Agreement No. H207909), and two agreements with Family Health Care Centers of Greater Los Angeles (Agreement No. H207918 and H207898), effective upon date of Board approval through June 30, 2005, with no change in net County cost;
3. Terminate GR Health Care Services Agreement No. H204998 with Broadway Family Medical Center, as the agency is beginning to phase out its business practices, effective June 30, 2004;
4. Execute a sole source PPP Program Traditional Partner Primary Care agreement with All For Health, Health For All, Inc., to allocate funding resulting from the termination of Broadway

Family Medical Center's agreement, effective July 1, 2004 through June 30, 2005, for a maximum obligation of \$1,190,213, in net County cost;

5. Amend PPP Agreement No. H207912 with El Proyecto del Barrio, effective upon date of Board approval through June 30, 2005, to: 1) add a service site that will fill a pre-existing gap in Primary Care services; and 2) allocate previously unallocated funds for such additional site by increasing Fiscal Year (FY) 2003-04 funding from \$1,627,698 to \$1,640,198 and increasing FY 2004-05 funding from \$1,627,698 to \$1,702,698, all net County cost;
6. Amend two (2) PPP agreements with Harbor Free Clinic, to shift funds for FYs 2003-04 and 2004-05, in the amount of \$15,000 for each FY, from its Co-Location Primary Care Agreement No. H207868 to its Traditional Partner Primary Care Agreement No. H207864, that will enable the agency to effectively utilize funding across its network of clinic sites, effective upon date of Board approval through June 30, 2005, thereby revising funding for Agreement No. H207868 for FY 2003-04 from \$106,494 to \$91,494, and for FY 2004-05 from \$106,494 to \$91,494, and revising funding for Agreement No. H207864 for FY 2003-04 from \$293,506 to \$308,506 and for FY 2004-05 from \$293,506 to \$308,506, with no change in net County cost;
7. Amend Federally Qualified Health Center (FQHC) Agreement No. H207511 with Gary Bess Associates, that will extend the term an additional 12 months through June 30, 2005, to assist the Department of Health Services and community clinics to: 1) prepare and submit applications for FQHC Look-alike designation; and 2) respond to federal officials during the review and approval phases, effective upon date of Board approval through June 30, 2005, for a maximum obligation of \$125,000 for FY 2004-05 in net County cost; and
8. Amend FQHC Program Temporary Personnel Services Agreement No. H212398 with Simpson & Simpson Business and Personnel Services, that will extend the term an additional 12 months through June 30, 2005, to provide staffing to complete DHS and PPP agency applications for FQHC Look-alike designation and prepare for review by federal officials, effective upon date of Board approval through June 30, 2005, for a maximum obligation of \$110,000 in net County cost for FY 2004-05.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

Background

The County's Medicaid Demonstration project, 1115 Waiver, includes two major ambulatory care initiatives. First, ambulatory care services must be maintained at a specified level and provided through a network of Department of Health Services (Department or DHS), PPP, and GR sites. Second, the County must seek FQHC status for its own ambulatory care sites and assist PPP contractors to obtain FQHC status as a strategy for maximizing Medi-Cal reimbursement during and after the 1115 Waiver.

To accomplish these initiatives, DHS has maintained and improved its PPP/GR contracts, established a consultant contract and a temporary staffing contract, all to assist DHS and PPPs to assess organizational abilities to meet FQHC requirements and submit applications where appropriate. In addition to needing Board approval to extend these agreements, the Department also hereby requests to: 1) add PPP/GR

language related to the County's non-emergency medical care services policy and patient eligibility, change the Strategic Partner termination provision and extend the term of the Strategic Partner Disease Management Control; 2) supercede four (4) existing PPP Traditional Partner Primary Care agreements with four (4) Strategic Partner agreements; 3) terminate GR Health Care Services agreement with Broadway Family Medical Center, a Traditional Partner, and enter into a new agreement with All for Health, Health for All, Inc., for Traditional Partner services; and 4) amend various PPP agreements to add and shift funds.

PPP/GR Agreement Amendments - Major Modifications to Contract Provisions

The Department hereby requests to make the following changes to the PPP/GR agreements:

Impacted Contracts	Change Category	Description of Change
All PPP/GR	Non-Emergency Medical Care Services	Since October 2003, the Department has progressively implemented its policy limiting non-emergency medical care to Los Angeles County residents in its network facilities. With approval of this action, a similar policy will be established whereby each PPP/GR Program partner will verify its patient's income and residency eligibility using the revised Certification of Indigency (COI) form which will include a field for the patient's address. Residency within Los Angeles County will be verified using the same documents as used at the Department's facilities, and should the patient be homeless, the partner will utilize the Affidavit of Residency.
	Patient Eligibility	Following the PPP/GR Program's 25% reduction in 2002, PPP/GR partners are currently permitted to close their practice to all "new" patients (those who have never been seen at the site or who have not been seen at the site in over twelve (12) months). These patients are offered referral to other PPP/GR sites or County facilities for services free of charge, or to be placed on the partner's sliding fee scale. In a continuing effort to maximize PPP/GR funding for the chronically ill, the Department requests to allow partners to close their practices to episodic patients (those who have been seen in the last twelve (12) months for illnesses or conditions that do not require follow-up care).
Strategic Partner	Termination	Amend the Strategic Partner agreements to allow the contractor to terminate with or without cause with thirty (30) days notice. All other PPP/GR agreements currently have this provision.
	Disease Control Management Services	Amend the Strategic Partner agreements' Disease Management provision to allow the contractors to implement their disease management programs through June 30, 2005, a no-cost extension of six (6) months. This initiative had a slow start-up and this extension will enable the contractors time to fully implement their projects.

New Strategic Partner Sites

Strategic Partners are distinguished from Traditional Partners because of the higher-level of services available, their capacity for treating sicker patients, and the amount of federal, state, and philanthropic funding that is an ongoing component of their budgets. The Department is recommending new Strategic Partner sites in areas of high unmet needs.

Family Health Care Centers of Greater Los Angeles, Westside Neighborhood Clinic and Wilmington Community Clinic, all currently participate in the PPP Program with Primary Care Traditional Partner agreements. With assistance from the Department, these agencies have recently received FQHC Look-Alike designation and therefore meet all of the Strategic Partner requirements. Therefore, DHS requests to convert the agencies' agreements to Strategic Partner agreements.

Sole Source Traditional Partner Agreement

Broadway Family Medical Center (BFMC) is a for-profit organization currently providing GR Health Care services under the PPP Program to the PPP eligible population of Glendale, Burbank, and surrounding communities. Over the next several months, this agency will begin dissolving its practice in anticipation of All For Health, Health For All, Inc. (AFHHFA), a non-profit organization, assuming its services, patients, and clinic site. As such, BFMC has requested that its agreement be terminated, and that all funding be re-allocated to AFHHFA. In addition to being a non-profit organization, AFHHFA is also well positioned to submit a viable application to Health Resources Service Administration (HRSA) for FQHC Look-Alike designation. Therefore, by terminating the BFMC GR agreement, and executing the AFHHFA primary care agreement, the Department will be able to assist the agency in submitting this application, as intended under the 1115 Waiver. Approval of this action will not require any additional County cost, as AFHHFA's maximum obligation will be \$1,190,213, which is exactly the same as BFMC's current annual allocation.

Strategic Partner Agreement Amendment - Addressing a Service Gap

On September 24, 2002, the Department informed the Board that it was holding unallocated funds for PPP services for Service Planning Areas (SPA) 6 and 7, which would remain statistically underserved even with the Board approved reforms and changes. DHS committed to return to the Board with recommendations of partners to fill this need. On December 16, 2003, your Board approved: 1) sole source Strategic Partner primary care and dental care agreements with Watts Healthcare Corporation to fill the need in SPA 6; and 2) an agreement amendment to Clinica Msr. Oscar Romero's Strategic Partner primary care agreement to serve patients at the Department's former Northeast Health Center. These actions did not utilize all unallocated funds for SPA 7.

Therefore, the Department is recommending approval to amend Agreement No. H-207912, with El Proyecto del Barrio for Strategic Partner Primary Care Services, to increase funding allocations for FYs 2003-04 and 2004-05, by \$12,500 and \$75,000 respectively, using funding held for SPA 7 to permit the agency to expand its services to the County's former Azusa Health Center. Although this site is physically located in SPA 3, services will be provided to patients residing in SPA 7 and will greatly increase quality services to the PPP-eligible patients in SPA 7.

Traditional Partner Modification

Harbor Free Clinic currently operates a Traditional Partner agreement and a Co-Location agreement in the County's Harbor Health Center, both located in San Pedro. This agency operates these clinic sites as a network to provide comprehensive, quality care to its patients. As such, the organization requires flexibility in its funding. Therefore, the Department requests approval to permanently shift funds from its Co-Location agreement to its Traditional Partner agreement for FYs 2003-04 and 2004-05, in the amount of \$15,000 for each FY, for a total of \$30,000.

FQHC Agreement Amendments

The 1115 Waiver Extension mandates that the Department seek FQHC status for each of its ambulatory care facilities, including its PPP clinics. The level of assistance required for each PPP Partner interested and able to submit FQHC Look-Alike applications has varied and depends on the following criteria: 1) status of their governing boards; 2) scope of service delivered; 3) ability to substantiate that patients come from medically underserved area(s); and 4) sophistication of administrative and billing systems and procedures.

Many of the PPP partners opted out of the process or were excluded from the process based on a clear-cut determination that the agency would not be willing or able to make necessary organizational changes that would satisfy FQHC designation requirements. The consultants and temporary staff performed twenty-six complex organizational assessments, which included extensive consultations with clinic managers and their boards. To date, nine (9) PPPs have submitted FQHC Look-Alike applications with assistance provided by the Department's expert consultant and staffing contractors, and these contractors are currently working on two (2) additional applications. Eight (8) of the applications have been approved and one (1) application was denied. In addition to the PPP application process, resources from the two contractors, Gary Bess Associates and Simpson & Simpson, were used to prepare DHS' section 330(I) public housing primary care grant application in April 2003, which included the County's entire outpatient health system. This application was later rejected, and DHS and its consultant met with HRSA representatives regarding alternative strategies.

In March 2004, DHS submitted a Letter of Interest (LOI) to HRSA expressing the Department's interest in seeking FQHC Look-Alike status for three (3) of the Comprehensive Health Centers. Once HRSA responds to the LOI, DHS, with the assistance of these FQHC contractors, will proceed with developing and submitting the application. At the same time, several PPP agencies are now in a position to submit viable applications and have requested DHS assistance.

FISCAL IMPACT/FINANCING:

The total funding for PPP contract amendments will be \$12,500 for FY 2003-04 and \$75,000 for FY 2004-05, and is reflected in the FY 2003-04 Adopted Budget and the FY 2004-05 Proposed Budget. This funding level is in alignment with the Department's recommendation in the Strategic Plan to reduce funding for PPP and GR services by \$15 million annually.

The total funding for the consultant and temporary personnel services agreement amendments, with Gary Bess Associates and Simpson & Simpson is \$125,000 and \$110,000, respectively, both are included in the FY 2004-05 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The PPP Program provides the indigent, low-income, uninsured patient population with medical services throughout Los Angeles County at County and private facility sites. Patients must be at or below 133 1/3% of the Federal Poverty Level using the COI as self-verification of income, or who are determined to be eligible GR recipients of the County. The PPP Program meets the 1115 Waiver's requirement to increase access to outpatient care through community-based providers.

The recommended agreement and amendment formats will be reviewed and approved as to use by County Counsel.

The recommended actions will not impact the Department System Redesign.

Attachments A and B provide additional information.

CONTRACT PROCESS:

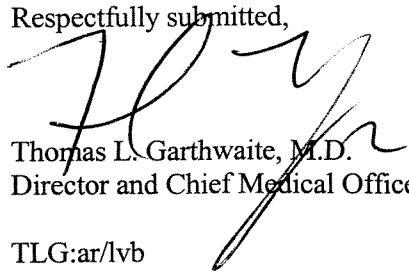
It is not appropriate to advertise these contract actions and amendments on the Los Angeles County Online Website.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

The Board's approval of these recommendations will provide for continued accessibility to health care services throughout Los Angeles County and enable DHS to meet its 1115 Waiver obligations.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Thomas L. Garthwaite, M.D.
Director and Chief Medical Officer

TLG:ar/lvb

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

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SUMMARY OF VARIOUS AMBULATORY CARE AGREEMENT ACTIONS
(FISCAL YEARS 2003-04 AND 2004-05)

PUBLIC-PRIVATE PARTNERSHIP (PPP)/GENERAL RELIEF HEALTH CARE (GR) PROGRAMS

1. Type of Service:

Primary, dental and specialty care services to the indigent low-income and uninsured patient population at County and private facility sites, who are at or below 133 1/3% of the Federal Poverty Level, or who are determined to be eligible GR recipients of the County.

2. PARTNERS:

See Attachment B.

3. TERM:

Effective upon date of Board approval through June 30, 2005, with the Strategic Partner Disease Management funds effective December 16, 2003 through June 30, 2005.

4. FINANCIAL INFORMATION:

Total program costs are \$12,500 for Fiscal Year (FY) 2003-04 and \$75,000 for FY 2004-05, which reflects an allocation (of previously unallocated funds) to El Proyecto Del Barrio's Strategic Partner Primary Care Services Agreement No. H207912.

Harbor Free Clinic will shift \$15,000 from its Co-Location Primary Care Agreement No. H207868, for FYs 2003-05 and 2004-05 for a total of \$30,000, to their Traditional Partner Primary Care Agreement No. H207864, with no change in net County cost.

ALL FOR HEALTH, HEALTH FOR ALL, INC.

1. Type of Service:

Primary care services to the indigent low-income and uninsured patient population at a private site in the San Fernando Service Planning Area, who are at or below 133 1/3% of the Federal Poverty Level, or who are determined to be eligible GR recipients of the County.

2. Agency Address and Contact Person:

All For Health, Health For All, Inc.
519 East Broadway
Glendale, California 91205
Contact Person: Anna Nshanyan, CEO
Telephone: (818) 409-3020 Facsimile: (818) 243-2713

3. Term:

Effective July 1, 2004 through June 30, 2005.

4. Financial Information:

Total program costs are \$1,190,213 for FY 2004-05, which reflects funds previously allocated to Broadway Family Medical Center.

GARY BESS ASSOCIATES

1. Type of Service:

To prepare and submit applications for Medi-Cal reimbursement through the Federally Qualified Health Center (FQHC) Look-Alike designation process for the Department of Health Services (DHS) and PPP clinics.

2. Agency Address and Contact Person:

Gary Bess Associates
389 Wayland Road
Paradise, California 95969
Contact Person: Dr. Gary Bess
Telephone: (530) 877-3426 Facsimile: (530) 877-3419

3. Term:

Effective July 1, 2004 through June 30, 2005.

4. Financial Information:

Total program costs are \$125,000 for FY 2004-05.

SIMPSON & SIMPSON BUSINESS AND PERSONNEL SERVICES, INC.

1. Type of Service:

To provide staffing to complete the DHS and PPP agency applications for FQHC Look-Alike designation, as mandated by the 1115 Waiver.

2. Agency Address and Contact Person:

Simpson & Simpson Business and Personnel Services, Inc.
3600 Wilshire Boulevard, Suite 1710
Los Angeles, California 90010
Contact Person: Carl Simpson
Telephone: (213) 736-6664 Facsimile: (213) 736-6692

3. Term:

Effective July 1, 2004 through June 30, 2005.

4. Financial Information:

Total program costs are \$110,000 for FY 2004-05.

5. GEOGRAPHIC AREA TO BE SERVED:

Countywide

6. RESPONSIBLE FOR PROGRAM MONITORING:

John Wallace, Interim Director, Office of Ambulatory Care

7. APPROVALS:

Office of Ambulatory Care: John Wallace, Interim Director

Contracts Administration: Irene E. Riley, Director

County Counsel (as to form): Sharon A. Reichman, Principal Deputy County Counsel

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Public Private Partnership/General Relief Health Care Programs (PPP/GR) - Major Modifications to Contract Provisions

	Contractor	Type of Service Agreement					
		Primary	Co-Location	Takeover	Dental	Specialty	GR
1.	All For Health, Health For All	New					
2.	AltaMed Medical Group	H207911*					
3.	Arroyo Vista Family Health Foundation	H207883*			H207923		
4.	Asian Pacific Health Care Venture	H207884*					
5.	Avalon Municipal Hospital/Clinic	H207985					
6.	Bay Area Addiction Research Treatment, Inc.	H207881					H213286
7.	Bienvenidos Children's Center	H207863					
8.	California Family Care Medical Group	H207841*					
9.	Central City Community Health Center	H207852*					
10.	Central Neighborhood Medical Group, Inc.	H207876					
11.	Children's Dental Foundation		H207946		H207896		
12.	Chinatown Service Center	H207851*					
13.	Clinica Msr. Oscar Romero	H207867*			H207931		
14.	Community Health Alliance of Pasadena	H207936*					
15.	Compton Central Health Clinic, Inc.	H207921					

* Strategic Partner Agreement.

** Will be a Strategic Partner Agreement effective Board's approval of this request.

Public Private Partnership/General Relief Health Care Programs (PPP/GR) - Major Modifications to Contract Provisions

Contractor		Type of Service Agreement					
		Primary	Co-Location	Takeover	Dental	Specialty	GR
16.	Durfee Family Care Medical Group	H207845					
17.	East Los Angeles Health Task Force						H204995
18.	East Valley Community Health Center	H207882*					
19.	Eisner Pediatric and Family Medical Center	H207842*			H207938		
20.	El Dorado Community Service Center	H207879					
21.	El Proyecto del Barrio	H207912*					
22.	Family Health Care Centers of Greater Los Angeles	H207918**		H207898**			
23.	Franciscan Clinics/QueensCare	H207880*			H207925		
24.	Harbor Free Clinic	H207864	H207868				
25.	JWCH Institute, Inc.	H207892*	H207891*				
26.	Komfort-Care Health Plan	H207935					
27.	Korean Health, Education, Information and Research	H207893					
28.	Koryo Health Foundation Community Clinic	H207900					
29.	Los Angeles Free Clinic	H207878*	H207875*		H207922	H207877	
30.	Mission City Community Network	H207874*					

* Strategic Partner Agreement.

** Will be a Strategic Partner Agreement effective Board's approval of this request.

Public Private Partnership/General Relief Health Care Programs (PPP/GR) - Major Modifications to Contract Provisions

Contractor		Type of Service Agreement					
		Primary	Co-Location	Takeover	Dental	Specialty	GR
31.	Northeast Community Clinic	H207885*					
32.	Northeast Valley Health Corporation	H207872*		H207894*	H207924		
33.	Pomona Valley Medical Center	H207849	H207847				
34.	Ramona Health Plan Medical Group	H207904					
35.	Sacred Heart Family Medical Clinics, Inc.	H207848					
36.	Samuel Dixon Family Health Center, Inc.	H207844					
37.	Sheng Chang, M.D., Inc.	H207919					
38.	South Atlantic Medical Group	H207862					
39.	South Bay Family Healthcare Center	H207926*			H207920		
40.	South Central Family Health Center	H207903*					
41.	St. John's Well Child Center	H207854*			H207902		
42.	T.H.E. Clinic, Inc.	H207843*	H207865*				
43.	Tarzana Treatment Center	H207895*					
44.	The Children's Clinic	H207850*					
45.	The Church of Our Saviour	H207913					

* Strategic Partner Agreement.

** Will be a Strategic Partner Agreement effective Board's approval of this request.

Public Private Partnership/General Relief Health Care Programs (PPP/GR) - Major Modifications to Contract Provisions

Contractor		Type of Service Agreement					
		Primary	Co-Location	Takeover	Dental	Specialty	GR
46.	UMMA Free Clinic	H207917					
47.	Universal Health Foundation	H207899					
48.	Valley Community Clinic	H207908*					
49.	Venice Family Clinic	H207914*			H207906	H207907	
50.	Visiting Nurse Community Services	H207905					
51.	Watts Healthcare Corporation	New contract approved on 12/16/03; and is pending assignment of contract #.			New contract approved on 12/16/03; and is pending assignment of contract #.		
52.	Westside Family Health Center	H207853*					
53.	Westside Neighborhood Clinic**	H207846*					
54.	Wilmington Community Clinic**	H207909*					
55.	Yu Care Medical Group, Inc.	H207910					

* Strategic Partner Agreement.

** Will be a Strategic Partner Agreement effective Board's approval of this request.